



ELECTRONIC COMMUNICATIONS FOR PROVIDERS

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EXECUTIVE SUMMARY OF THE INITIATIVE AND BENEFITS

Before the implementation of the initiative, Division of Medical Assistance Programs (DMAP) mailed OHP Provider Announcements (PAs) to providers, incurring print and postage costs. Presumably, providers would duplicate and share the provider announcement with their various departments, such as accounting staff or clinicians.

For this initiative, DMAP providers include enrolled Oregon Medicaid fee-for-service providers from hospitals to home health care workers and dentists to durable medical equipment providers. There are approximately 22,000 providers as of the date of this report.

The initiative's goal is to provide information to DMAP providers in the most cost effective, timely and professional method. Per biennium, DMAP mailed an estimated one million provider announcements about updates and changes to Oregon Health Plan's (OHP) policies, benefits, rules and procedures.

DMAP stopped mailing OHP Provider Announcements (PAs) on June 1, 2009. The financial result is an estimated biennium savings of \$606,000 or an annual savings of \$303,000 in print and postage costs.

REDEPLOYMENT PLAN – JULY 1, 2009 THROUGH JUNE 30, 2011

2009-10 Annual Benefits	\$ 303,000
Reduction included in 2009-2011 General Funds Budget	<u>- 80,000</u>
Total 2009-10 Annual Savings Remaining	\$ 223,000

2010-11 Annual Savings	\$ 303,000
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Total remaining funds for reallocation during 2009-2011 biennium \$ 523,000¹

¹ DMAP is in the process of determining where the greatest need is, and will reinvest the remaining funds accordingly.

IMPROVEMENT SUMMARY

The Client and Provider Education Unit (CAPE) stopped mailing Provider Announcements on June 1, 2009.

CAPE posts these announcements on the OHP provider Web site. CAPE directs providers to download the announcements, and encourages providers to elect to receive an e-mail when new provider-specific information posts to the Web. These e-mails contain an embedded hyperlink to the full announcement. DHS' existing vendor, eSubscribe, provides the e-mail service.

CAPE added a new feature to the provider announcement web page to assist and save providers time searching for announcements. DMAP will continue other methods of communication to providers through other venues as usual, with messages appearing on: Remittance Advice forms, Provider Web Portal Global Announcements (when functioning) and targeted provider mailings when circumstances require.

Electronic communication serves as a DHS paperless communication model and is a recognizable illustration for environmental stewardship.

This initiative aligns with DHS strategic plans to use electronic methods for medical records management, billing, claims processing and communication.

BENEFIT/OUTCOME DESCRIPTION**COST SAVINGS/PRODUCTIVITY**

- Cost savings are an estimated \$606,000 per biennium, or \$303,000 annually from reduced print and postage costs.
- This initiative did not affect DMAP productivity and staffing. The Department of Administrative Services (DAS) provides the majority of print service and mail preparation labor.
- DHS contract with eSubscribe is for unlimited use. DMAP's increased use of eSubscribe will not generate additional fees or costs.
- Communicating electronically with providers compliments DMAP's commitment to using the internet with programs like the new Provider Web Portal.

SERVICE

- Providers benefit from real-time information delivery rather than waiting for postal delivery.
- Providers can route information faster to their affected staff and departments.
- Providers may still request paper copies from DMAP of sizeable reference documents. (CAPE has not received any requests as of 12/2/09).
- Providers who sign up for e-mail (eSubscribe) notification receive real-time delivery service.
- When possible, the Division automatically signs up newly enrolled OHP providers in eSubscribe.
- Providers no longer need to photocopy provider announcements and distribute to affected departments and sections. Electronic documents allow providers to forward the document or add staff to eSubscribe with a potential cost savings impact.
- With the newly designed Provider Announcement page, providers will spend less time searching for historical information.

PEOPLE

- Anecdotal reports indicate that hospital staff appreciates the instant information delivery and ability to distribute provider announcements electronically to their appropriate staff.
- DMAP demonstrates responsible stewardship with taxpayers' money.
- This initiative provides a tangible demonstration of DHS commitment to environmental sustainability.

LOGIC DESCRIPTION

During the 2007-09 biennium, DMAP mailed nearly one million provider announcements at an approximate cost of \$606 thousand per biennium.

ASSUMPTIONS

- The number and per unit cost of provider announcements is not expected to change over the next two years.
- Baseline print and postage cost information derived from both sampled invoices and extrapolated calculations. CAPE will use the weighted average of \$0.44 per cost/piece for a future metric.
- CAPE will continue sharing information about eSubscribe.

CONCLUSION

- CAPE posts Provider Announcements on the OHP Web site.
- On June 1, 2009, CAPE discontinued mailing Provider Announcements.
- For purposes of this initiative, the Division will realize an annual savings of \$303,000 over the 12-month rolling period.

2007-09 BIENNIUM PROVIDER ANNOUNCEMENTS

Provider Announcements	Announcements Mailed <i>Unique Announcements to provider specialties groups</i>	Provider Count <i>Aggregated number of providers receiving Announcements</i>	Average Cost per provider	Total Print & Postage Cost
MMIS Announcement	14			\$74,781.72 ¹
MMIS Announcement	24	332,343 ⁹	\$0.54	\$179,416.91 ²
MMIS <i>Extrapolated</i>	5	20,956 ¹⁰	\$0.54 ³	\$11,316.24
Provider Announcement	57			\$99,607.60 ⁴
Provider Announcement	50	400,074 ¹¹	\$0.38	\$151,107.24 ⁵
Provider <i>Extrapolated</i>	38	235,454 ¹²	\$0.38	\$89,472.52 ⁶
Total per Biennium	188	988,827 ⁷		\$605,702.23
Total Annual				\$302,851.12

TABLE NOTES

¹ Provider counts are not available. Cost is based on DMAP’s review of paid invoices for the 2007-09 biennium.

² Average cost/piece formula is: MMIS Print & Postage cost/MMIS number of providers or \$179,416.91 / 332,343 = \$0.54

³ Known MMIS provider counts x MMIS average cost per piece or 20,956 x \$0.54

⁴ Cost from invoices, provider count not available

⁵ Average cost per piece formula is: PA Print & Postage cost/PA number of providers or \$151,107.24 / 400 = \$0.38

⁶ Cost = Known PA provider counts x PA average cost per piece or 235,454 x \$0.38

⁷ Number of pieces mailed (when known)

^{9, 10, 11, 12} Number of providers (or pieces of mail) mailed per notice.

DMAP will determine future savings using an average weighted cost per piece ^{2, 5}, and not use cost per announcement.

SAVINGS

Future savings are projected based on historical data (known number of providers reached/known print and postage cost) average. A per provider/per piece cost of \$0.44 averages the variety of size and type of mailings from postcards to document packages. DMAP always used the least expensive methods for postage and printing services.

Provider Announcements	Number of Announcements	Provider Count	Weighted Average Cost/Provider	Print & Postage Benefit Metric
Announcements	188	988,827	\$0.44	\$605,702.23
<i>Annual Total</i>	94			\$302,851.12

SAVINGS FORMULA

Weighted average cost per piece is calculated as follows: (MMIS cost²⁺⁴) + (PA Routine cost⁵⁺⁶) / (MMIS provider count⁹⁺¹⁰) + (PA Routine provider count¹¹⁺¹²) or; (\$190,733.15) + (\$24,0579.76) / (353,299) + (635,528) = \$0.44 weighted average

SUSTAINABILITY PLAN - JULY 1, 2009 THROUGH JUNE 30, 2011

The CAPE manager will assign a staff member to report cost savings and submit calculations to the Transformation Office monthly. The cost savings will be calculated from the OHP Provider Announcements posted on the Provider Announcement page.

The Announcement’s effective date will be used to calculate savings; multiplying the target audience count by the average weighted cost per piece, \$0.44. Target audience count will be obtained from the MMIS system using the enrolled provider’s type and/or medical specialty. For example, some Provider Announcements are directed to all providers (22,000 at the date of this report), while others may apply to durable medical equipment providers who provide Oxygen and Oxygen services (168).

The need for the occasional one-time special announcement will decrease as providers are directed to the electronic platform for all DMAP operations. The department’s savings will continue to increase because of historical and expected rising printing and postage costs.

CAPE will conduct an annual provider survey on OHP's Web site to gather feedback on the initiative's effectiveness.

ATTACHMENTS:

Data Spreadsheets

- Comparing baseline metrics to actual
- Other assorted support material

Reinvestment Plan

Business Case

REFERENCES:

SURVEYS – CUSTOMER/CLIENT: CAPE created a provider survey to gauge provider satisfaction on the switch to electronic communication. This is an informational survey only since there is no baseline survey.

REPORTS – INTERNAL/EXTERNAL: DMAP's quarterly metric will show realized savings based on the number of provider announcements delivered to the OHP Web site. The report will show the cost if CAPE had printed and mailed the announcement.

WEB LINKS: To view the OHP Provider Announcement Web page and eSubscribe notice go to http://www.oregon.gov/DHS/healthplan/notices_providers/main.shtml.

Document location: I:\TRANSFORMATION\Divisions&Themes\DMAP\INITIATIVE LEADERS\Initiatives\O1B - Electronic Communications\Benefits document